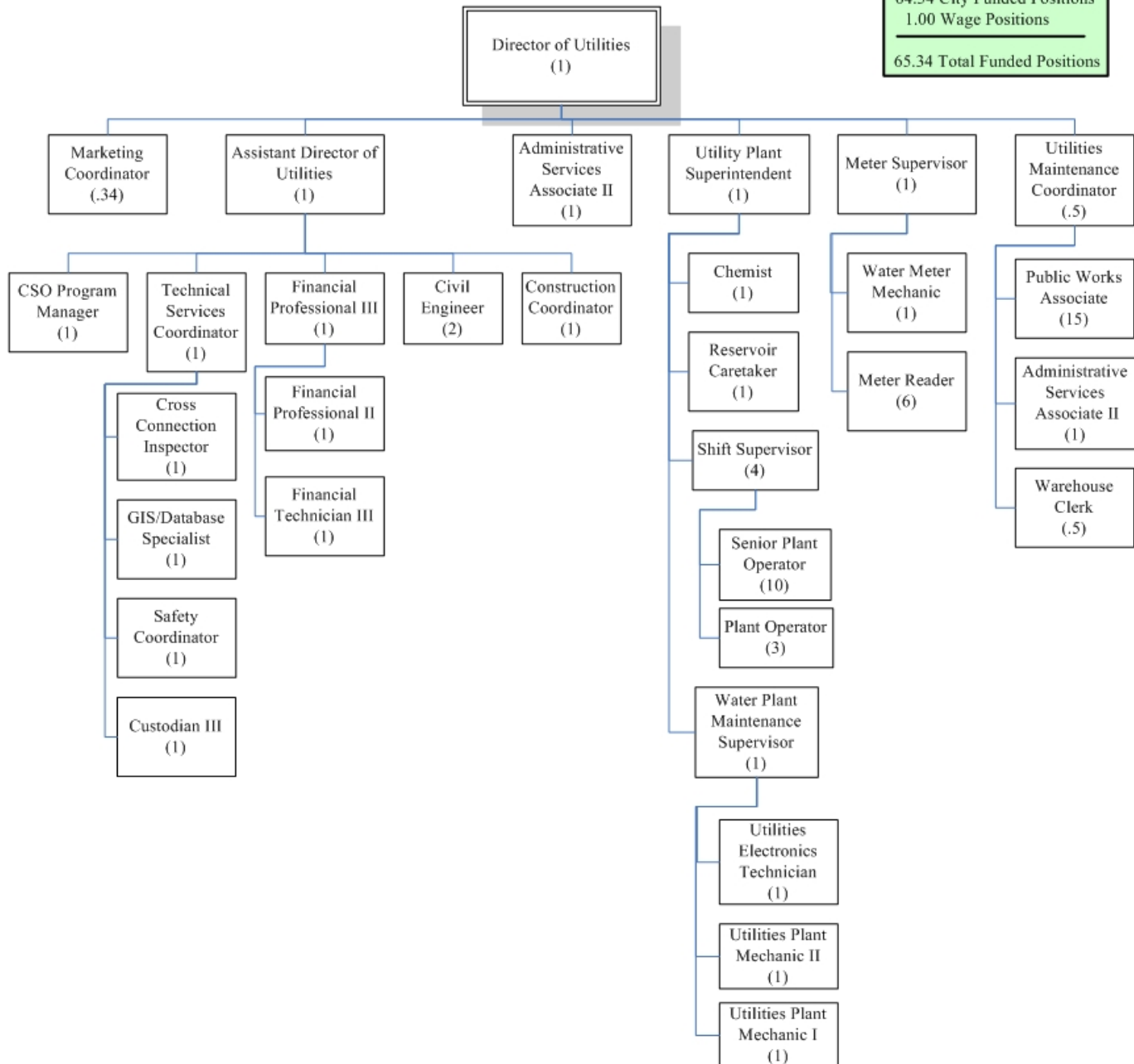


**PUBLIC WORKS DEPARTMENT - UTILITIES DIVISION  
WATER FUND****POSITION SUMMARY**

.....  
64.34 City Funded Positions  
1.00 Wage Positions  

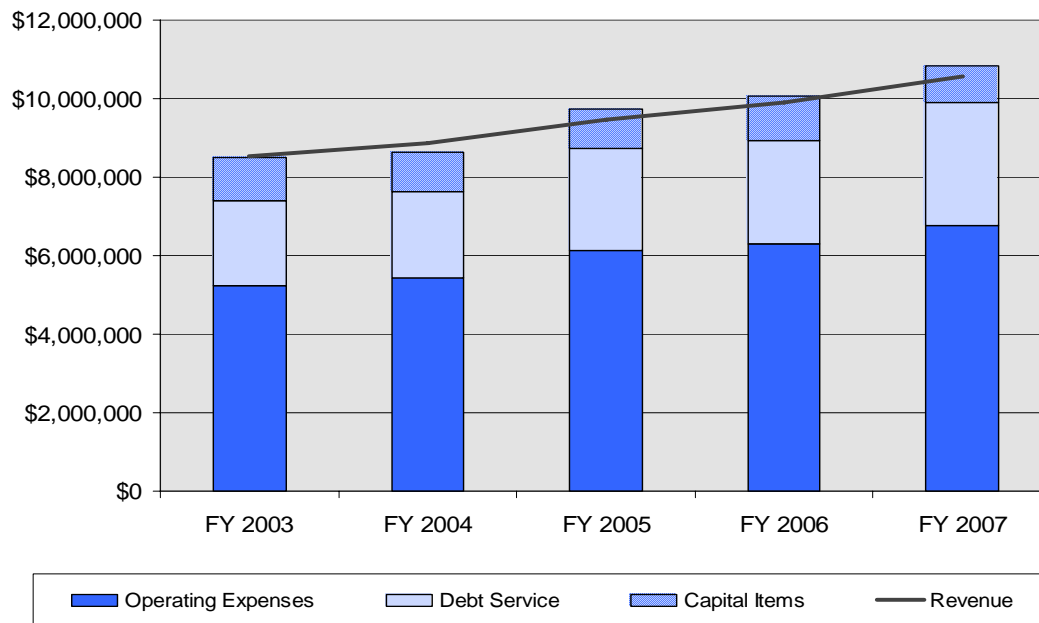
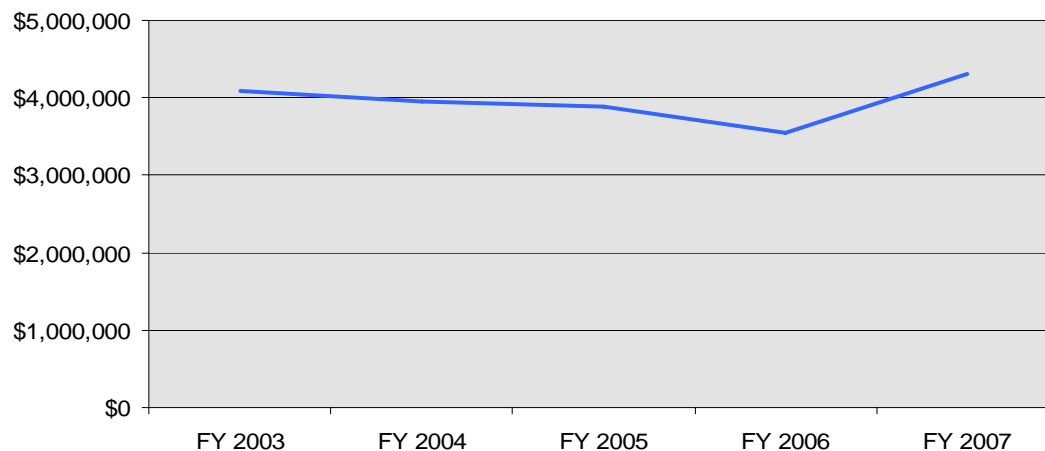
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65.34 Total Funded Positions



**Water Fund Description**

Lynchburg has one of the nation's oldest public water systems. Today, the system is managed by the Public Works Department and furnishes safe drinking water to 65,300 City residents and businesses. It also delivers water to Amherst, Bedford and Campbell Counties under wholesale contract agreements. Lynchburg's raw water comes from the Pedlar Reservoir, a protected watershed in the George Washington National Forest and from the James River. The system can deliver up to 26 million gallons of water a day from two water treatment plants. Total treated water storage capacity is approximately 33 million gallons. Water is delivered through a 450-mile network of transmission and distribution lines, 12 water storage tanks and 7 major pump stations.

**Revenues & Expenses****Ending Unrestricted Cash**

**Water Fund Debt Coverage**

	Actual FY 2005	Adopted FY 2006	Revised Estimate FY 2006	Department Requested FY 2007	Manager's Proposed FY 2007
<b>DEBT COVERAGE</b>					
<b>Revenues:</b>					
Charges for Services	\$ 7,328,221	\$ 7,567,268	\$ 7,607,633	\$ 7,869,159	\$ 7,857,159
Water Contracts	2,157,871	2,224,501	2,206,517	2,300,654	2,300,654
Interest & Other	153,097	92,500	199,691	386,004	386,004
	<u>\$ 9,639,189</u>	<u>\$ 9,884,269</u>	<u>\$ 10,013,841</u>	<u>\$ 10,555,816</u>	<u>\$ 10,543,816</u>
<b>Expenses:</b>					
Water treatment	\$ 2,100,911	\$ 2,163,976	\$ 2,155,953	\$ 2,323,476	\$ 2,323,476
Water line maintenance	1,155,590	1,160,033	1,231,501	1,247,227	1,247,227
Meter Reading	575,393	431,435	477,304	522,210	522,210
Administration/engineering	1,867,075	2,222,955	2,203,198	2,239,508	2,239,508
Non-Departmental	116,297	303,185	285,377	334,101	334,101
Projects costs charged to operations	1,266	-	100,000	100,000	100,000
	<u>\$ 5,816,532</u>	<u>\$ 6,281,584</u>	<u>\$ 6,453,333</u>	<u>\$ 6,766,522</u>	<u>\$ 6,766,522</u>
<b>Operating Income</b>	<u>\$ 3,822,657</u>	<u>\$ 3,602,685</u>	<u>\$ 3,560,509</u>	<u>\$ 3,789,294</u>	<u>\$ 3,777,294</u>
Debt Service	<u>\$ 2,797,655</u>	<u>\$ 2,639,621</u>	<u>\$ 2,506,890</u>	<u>\$ 3,121,434</u>	<u>\$ 3,121,434</u>
<b>Net Revenue</b>	<u>\$1,025,002</u>	<u>\$963,064</u>	<u>\$1,053,619</u>	<u>\$667,860</u>	<u>\$655,860</u>
Debt Coverage Ratio Target	1.20	1.20	1.20	1.20	1.20
Debt Coverage Ratio	1.37	1.37	1.42	1.21	1.21

**Water Fund Sources and Uses of Cash**

	Actual FY 2005	Adopted FY 2006	Revised Estimate FY 2006	Department Requested FY 2007	Manager's Proposed FY 2007
<b>SOURCES AND USES OF CASH</b>					
<b>Sources of Cash:</b>					
Beginning cash balance	\$ 6,369,048	\$ 7,449,811	\$ 6,406,372	\$ 12,616,814	\$ 12,616,814
Net Revenue	1,025,002	896,560	1,053,619	667,860	667,860
Proceeds from bond anticipation note			10,000,000		
G.O. Bond proceeds		4,200,000		-	-
	<u>\$7,394,050</u>	<u>\$12,546,371</u>	<u>\$17,459,991</u>	<u>\$13,284,674</u>	<u>\$13,284,674</u>
<b>Uses of Cash</b>					
Capital purchases	\$ 4,074,476	\$ 6,425,333	\$ 4,681,177	\$ 5,449,101	\$ 5,449,101
Repayment of line of credit borrowings	-	-	-	-	-
Transfers to other funds, net	147,123	112,000	112,000	77,000	77,000
Proceeds from other organizations	-	-	-	-	-
Change in working capital items	-	50,000	50,000	50,000	50,000
	<u>\$ 4,221,599</u>	<u>\$ 6,587,333</u>	<u>\$ 4,843,177</u>	<u>\$ 5,576,101</u>	<u>\$ 5,576,101</u>
<b>Ending cash</b>	\$ 3,172,451	\$ 5,959,038	\$ 12,616,814	\$ 7,708,573	\$ 7,708,573
Less restricted amounts for:					
Customer deposits	(286,867)	(296,867)	(320,000)	(323,200)	(323,200)
Capital projects	(4,703,579)	(2,062,672)	(7,669,775)	(3,085,674)	(3,085,674)
<b>Ending unrestricted cash</b>	<u><u>-\$1,817,995</u></u>	<u><u>\$3,599,499</u></u>	<u><u>\$4,627,039</u></u>	<u><u>\$4,299,699</u></u>	<u><u>\$4,299,699</u></u>
Operating expenses and debt service	8,614,187	8,921,205	8,960,222	9,887,956	9,887,956
Unrestricted cash target as a % of operating expenses and debt service	40%	40%	40%	40%	40%
Unrestricted cash as a % of operating expenses and debt service	-21%	40%	52%	43%	43%

This Statement of Sources and Uses of Cash has been added to the Budget in order to more closely align the budget presentation to the requirements of GASB 34 and provide additional information concerning the cash flows in the operating and capital funds.

**Water Fund**

	<b>Actual FY 2005</b>	<b>Adopted FY 2006</b>	<b>Revised Estimate FY 2006</b>	<b>Department Requested FY 2007</b>	<b>Manager's Proposed FY 2007</b>
<b>REVENUE SUMMARY</b>					
<b>Charges for Services:</b>					
Water Sales	\$5,416,543	\$5,642,000	\$5,642,000	\$5,867,680	\$5,867,680
Meter Charges	561,250	554,347	560,000	565,600	565,600
Sewer Fund Charges	510,000	600,000	600,000	612,000	600,000
General Fund Hydrant Charges	318,414	324,783	324,783	331,279	331,279
Availability Fees	102,783	90,000	90,000	90,000	90,000
Connection Fees	117,549	87,846	110,000	121,000	121,000
Cut-on/off Charges	96,889	100,000	100,000	100,000	100,000
Delinquent Account Fees	82,064	60,000	60,000	60,000	60,000
Fire protection Fees	63,913	54,292	65,000	67,600	67,600
Water Cost Plus	46,938	45,000	45,000	45,000	45,000
All Others	11,878	9,000	10,850	9,000	9,000
	<u>\$7,328,221</u>	<u>\$7,567,268</u>	<u>\$7,607,633</u>	<u>\$7,869,159</u>	<u>\$7,857,159</u>
<b>Water Contracts:</b>					
Amherst	105,186	136,284	118,300	130,553	130,553
Bedford	1,056,130	1,125,738	1,125,738	1,213,426	1,213,426
Campbell	455,021	454,279	454,279	435,175	435,175
Industrial	541,534	508,200	508,200	521,500	521,500
	<u>\$2,157,871</u>	<u>\$2,224,501</u>	<u>\$2,206,517</u>	<u>\$2,300,654</u>	<u>\$2,300,654</u>
<b>Interest &amp; Other:</b>					
Interest	123,527	85,000	192,191	378,504	378,504
All Other	29,570	7,500	7,500	7,500	7,500
	<u>\$ 153,097</u>	<u>\$ 92,500</u>	<u>\$ 199,691</u>	<u>\$ 386,004</u>	<u>\$ 386,004</u>
<b>Total Revenues</b>	<u>\$9,639,189</u>	<u>\$9,884,269</u>	<u>\$10,013,841</u>	<u>\$10,555,816</u>	<u>\$10,543,816</u>

**Water Fund**

	Actual FY 2005	Adopted FY 2006	Revised Estimate FY 2006	Department Requested FY 2007	Manager's Proposed FY 2007
<b>EXPENSE SUMMARY</b>					
<b>Departmental:</b>					
Personal Services	\$ 2,076,917	\$ 2,272,986	\$ 2,229,992	\$ 2,289,760	\$ 2,289,760
Employee Benefits	725,926	821,451	793,246	904,037	904,037
Supplies & Materials	465,362	448,300	521,984	590,200	590,200
Chemicals	167,419	235,000	210,000	268,500	268,500
Gas/Diesel Fuel	34,266	46,804	55,350	61,156	61,156
Internal Services Charges	62,994	82,722	70,546	83,628	83,628
Rentals & Leases	5,206	11,600	8,005	10,600	10,600
Communication charges	20,128	24,800	23,850	24,300	24,300
Utilities	369,229	380,000	388,351	391,000	391,000
Buildings & Grounds Maintenance	16,711	8,700	9,200	10,200	10,200
Contractual Services	572,448	404,966	592,270	515,846	515,846
Training & Meetings	22,938	32,000	30,500	32,000	32,000
Indirect Costs	987,031	1,032,765	954,044	954,044	954,044
Self - Insurance	116,873	125,705	125,705	140,260	140,260
Misc. Expenses	55,521	50,600	54,913	56,890	56,890
	<u>\$ 5,698,969</u>	<u>\$ 5,978,399</u>	<u>\$ 6,067,956</u>	<u>\$ 6,332,421</u>	<u>\$ 6,332,421</u>
<b>Non-Departmental:</b>					
Financial audit	32,797	28,000	40,835	20,657	20,657
Retirees health/WC insurance	27,758	107,860	90,000	85,444	85,444
Interest on customer deposits	7,276	7,000	7,000	10,000	10,000
Banking services	0	0	0	0	0
Utility billing upgrades	1,219	3,000	3,000	3,000	3,000
Compensation Plan Adjustments	0	86,325	73,542	155,000	155,000
IT Systems	0	0	0	0	0
Allowance for doubtful account	47,247	60,000	60,000	60,000	60,000
All Other	0	11,000	11,000	0	0
	<u>\$ 116,297</u>	<u>\$ 303,185</u>	<u>\$ 285,377</u>	<u>\$ 334,101</u>	<u>\$ 334,101</u>
<b>Capital Purchases &amp; Transfers:</b>					
Transfer to Water Capital Fund	\$ 850,000	\$ 1,000,000	\$ 850,000	\$ 850,000	\$ 850,000
Transfer to General Fund	3,123	-	78,721	-	-
Transfer to City Fleet Fund	144,000	112,000	112,000	77,000	77,000
Transfer from General Fund	-	-	-	-	-
Capital purchases	-	20,000	49,545	15,000	15,000
	<u>\$ 997,123</u>	<u>\$ 1,132,000</u>	<u>\$ 1,090,266</u>	<u>\$ 942,000</u>	<u>\$ 942,000</u>
<b>Debt Service:</b>	<u>\$ 2,797,655</u>	<u>\$ 2,639,621</u>	<u>\$ 2,506,890</u>	<u>\$ 3,121,434</u>	<u>\$ 3,121,434</u>
<b>Total Expenses</b>	<u><u>\$ 9,610,044</u></u>	<u><u>\$ 10,053,205</u></u>	<u><u>\$ 9,950,489</u></u>	<u><u>\$ 10,729,956</u></u>	<u><u>\$ 10,729,956</u></u>



**Public Works Utilities Division Water Fund – Administration.** Leadership, management and administrative support are provided for water and wastewater functions, including the operation and maintenance of two water treatment plants and one wastewater treatment plant, a surface water reservoir on the Pedlar River, 33 million gallons of system storage, water distribution lines, storm water lines and basins, sanitary sewers, sewer separation projects, and meter reading. Functions include serving as governmental and regulatory liaison, providing engineering support, ensuring compliance with environmental regulations, financial and human resource management, safety coordination, technical services, and other administrative duties. Technical Services is responsible for the oversight of the Division's Backflow Program which was put into place in FY 2004 to help protect the City's water system from potential contamination from cross connections. Services for which oversight is provided are federally mandated by the Safe Drinking Water Act and the Clean Water Act. Oversight is provided by the Virginia Department of Health and The Virginia Department of Environmental Quality.

	Actual FY 2005	Adopted FY 2006	Revised Estimate FY 2006	Department Requested FY 2007	Manager's Proposed FY 2007
<b>POSITION SUMMARY</b>					
City Funded Full-Time	11.34	15.34	15.34	15.34	15.34
City Funded Seasonal Wage	1	1	1	1	1
<b>TOTAL FTE</b>	<b>12.34</b>	<b>16.34</b>	<b>16.34</b>	<b>16.34</b>	<b>16.34</b>

<b>BUDGET SUMMARY</b>					
Personal services	\$460,626	\$695,902	\$688,401	\$739,428	\$739,428
Fringe benefits	156,267	240,993	237,239	272,225	272,225
Supplies & materials	36,954	29,195	37,240	29,095	29,095
Gasoline/fuel	1,100	3,283	2,400	4,389	4,389
Internal service charges	2,220	5,062	2,847	4,827	4,827
Rentals & leases	3,786	4,000	4,005	4,000	4,000
Communication charges	2,649	4,840	3,300	3,740	3,740
Buildings & grounds	0	0	0	0	-
Contractual services	85,123	61,800	126,798	61,800	61,800
Training & meetings	5,585	14,000	10,000	14,000	14,000
Indirect Costs	987,031	1,032,765	954,044	954,044	954,044
Self - Insurance	116,873	125,705	125,705	140,260	140,260
Miscellaneous	8,861	5,410	11,219	11,700	11,700
<b>TOTAL</b>	<b>\$1,867,075</b>	<b>\$2,222,955</b>	<b>\$2,203,198</b>	<b>\$2,239,508</b>	<b>\$2,239,508</b>

#### **Water Fund – Administration Budget Description**

The Department Requested FY 2007 Public Works Utilities Division Water Fund - Administration budget of \$2,239,508 represents a 0.7% increase of \$16,553 as compared to the Adopted FY 2006 budget of \$2,222,955.

Significant changes introduced in the Department Requested FY 2007 budget include:

- \$74,758 increase in Salaries and Employee Benefits reflecting FY 2006 compensation adjustments, increased insurance premiums and the end of the life insurance premium holiday.
- \$78,721 decrease in Indirect Cost payments to other funds due to adjustments based upon the Maximus Indirect Cost Allocation Plan.

All major items requested are proposed for funding by the City Manager.

**Water Fund – Administration Performance Measures****Goal 1:**

Provide administration and guidance of the Utilities Division, including; the preparation of the annual rate study, the CSO program, and oversight of the operating areas, providing excellent water and wastewater services at the lowest possible cost while maintaining a high level of customer satisfaction.

**Objective:**

Maintain a high level of overall customer satisfaction while minimizing the water and sewer rates to the maximum extent practical and continuation of the CSO Program.

Performance Measure:	Projected FY 2005	Actual FY 2005	Target FY 2006	Target FY 2007
Overall customer satisfaction water (% reporting overall satisfaction) per the National Citizen Survey; 67 = good.	56	56	67	67
Overall customer satisfaction sewer (% reporting overall satisfaction) per the National Citizen Survey; 67 = good.	56	56	67	67
Combined Sewer overflow points eliminated (as of December 1, 2004, 36 remain)	2	1	3	2

**Goal 2:**

Provide technical support to the operating areas.

**Objective:**

Develop and manage the water and sewer Capital Improvement Program, update and maintain the water and sewer GIS data, protect the water system from possible contamination.

Performance Measure:	Projected FY 2005	Actual FY 2005	Target FY 2006	Target FY 2007
Percent of planned CIP projects started during the year (excluding general CIP categories).	100%	100%	100%	100%
Percent of water and sewer line attributes added to digital mapping.	10%	10%	25%	45%
Percent of high and moderate risk customers in compliance with the backflow program.	60%	39%	60%	85%





**Public Works Utilities Division Water Fund – Meter Reading.** Meter Readers record water meter readings for over 20,000 accounts, which serve as the basis for monthly water and sewer billings. Personnel replace meters on a schedule intended to assure accurate recording of consumption. Two inch and larger meters are replaced or calibrated on a regular basis as recommended by the American Water Works Association. Residential meters are replaced as needed but not less than every 12 years. At the direction of the Billing & Collections Division, Meters Readers investigate unusual consumption, activate or deactivate water service, and investigate customer complaints for meter reading issues. Meter inventory records are maintained. Route and sequence numbers are assigned to new accounts and other file maintenance is performed.

	Actual FY 2005	Adopted FY 2006	Revised Estimate FY 2006	Department Requested FY 2007	Manager's Proposed FY 2007
<b>POSITION SUMMARY</b>					
City Funded Full-Time	10	10	11	8	8
<b>TOTAL FTE</b>	10	10	11	8	8
<b>BUDGET SUMMARY</b>					
Personal services	\$327,776	\$213,094	\$236,942	\$221,118	\$221,118
Fringe benefits	116,009	85,366	86,254	92,644	92,644
Supplies & materials	49,671	67,105	72,875	136,605	136,605
Gasoline/fuel	10,412	12,766	16,800	16,678	16,678
Internal service charges	15,758	14,788	17,887	15,209	15,209
Rentals & leases	3	100	0	100	100
Communication charges	4,551	1,660	4,200	3,560	3,560
Contractual services	43,060	33,166	36,646	32,906	32,906
Training & meetings	7,530	3,000	5,500	3,000	3,000
Miscellaneous	623	390	200	390	390
	<u>\$575,393</u>	<u>\$431,435</u>	<u>\$477,304</u>	<u>\$522,210</u>	<u>\$522,210</u>

#### **Water Fund – Meter Reading Budget Description**

The Department Requested FY 2007 Public Works Utilities Division Water Fund – Meter Reading budget of \$522,210 represents a 21.04% increase of \$90,775 as compared to the Adopted FY 2006 budget of \$431,435.

Significant changes introduced in the Department Requested FY 2007 budget include:

- \$15,302 increase in Salaries and Employee Benefits reflecting FY 2006 compensation adjustments, increased insurance premiums and the end of the life insurance premium holiday.
- \$69,500 increase in Supplies and Materials reflecting primarily an increase in water system maintenance and repair due to the installation of automated meter reading equipment on certain routes.
- \$3,912 increase in Gasoline/Fuel reflecting the rising cost of fuel.

All major items requested are proposed for funding by the City Manager.

**Water Fund – Meter Reading Performance Measures****Goal 1:**

Provide prompt and accurate meter reading of all accounts on a monthly basis.

**Objective:**

Read 100 percent of meters accurately on a monthly basis, minimizing the estimated routes.

Performance Measure:	Projected FY 2005	Actual FY 2005	Target FY 2006	Target FY 2007
Average Percent of meters read on a monthly basis	99.2%	99%	99.5%	99.5%
Number of investigations (per month)	300	175	165	150
Average cost per meter read	\$1.75	\$2.19	\$2.20	\$2.20

**Goal 2:**

Equitably and accurately bill water and sewer services by having an effective meter replacement program.

**Objective:**

Replace meters within established guidelines in order to maintain billing accuracy.

Performance Measure:	Projected FY 2005	Actual FY 2005	Target FY 2006	Target FY 2007
Number of meters < 1" replaced	1,000	730	1,200	1250
Number of meters 1" – 2" replaced	130	214	150	175
Number of meters equal to or greater than 3" replaced	5	14	10	12



**Public Works Utilities Division Water Line Maintenance.** Provides installation, maintenance, and repair of water lines, water services, hydrants, and valves. Responds to customer complaints, investigates, and initiates remedial action. Maintains records on the date of repairs, the length of service and the types of materials and equipment used. The water distribution system continually delivers treated water, under pressure, to customers. Services are federally mandated by the Safe Drinking Water Act. Oversight is provided by the Virginia Department of Health.

	Actual FY 2005	Adopted FY 2006	Revised Estimate FY 2006	Department Requested FY 2007	Manager's Proposed FY 2007
<b>POSITION SUMMARY</b>					
City Funded Full-Time	16	16	16	16	16
<b>TOTAL FTE</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>BUDGET SUMMARY</b>					
Personal services	\$493,172	\$520,941	\$476,469	\$498,266	\$498,266
Fringe benefits	168,875	183,467	172,799	200,291	200,291
Supplies & materials	289,023	245,000	305,100	304,900	304,900
Gasoline / fuel	18,122	24,819	30,350	32,365	32,365
Internal service charges	37,425	54,006	41,700	54,631	54,631
Rentals & leases	881	2,000	1,900	2,000	2,000
Communication charges	1,631	2,300	1,950	2,300	2,300
Utilities	0	0	0	0	0
Buildings & grounds	1,410	200	1,700	1,700	1,700
Contractual services	140,471	122,000	194,370	145,474	145,474
Training & meetings	2,688	5,000	5,000	5,000	5,000
Miscellaneous	1,892	300	163	300	300
<b>TOTAL</b>	<b>\$1,155,590</b>	<b>\$1,160,033</b>	<b>\$1,231,501</b>	<b>\$1,247,227</b>	<b>\$1,247,227</b>

**Water Fund – Water Line Maintenance Budget Description**

The Department Requested FY 2007 Public Works Utilities Division Water Fund – Water Line Maintenance budget of \$1,247,227 represents a 7.5% increase of \$87,194 as compared to the Adopted FY 2006 budget of \$1,160,033.

Significant changes introduced in the Department Requested FY 2007 budget include:

- \$5,851 decrease in Salaries and Employee Benefits reflecting the net of FY 2006 compensation adjustments, increased insurance premiums, the end of the life insurance premium holiday, and the elimination of wage money allocated for a non-seasonal wage project inspector.
- \$59,900 increase in Supplies and Materials reflecting increases primarily in services related to emergency water system repairs based on historic trends.
- \$7,546 increase in Gasoline/Fuel reflecting the rising cost of fuel.

All major items requested are proposed for funding by the City Manager.

**Water Fund – Water Line Maintenance Performance Measures****Goal 1:**

Deliver water on an uninterrupted basis while maintaining a high level of customer satisfaction.

**Objective:**

Maintain and operate the water system such that customer complaints and service disruptions are minimized.

Performance Measure:	Projected FY 2005	Actual FY 2005	Target FY 2006	Target FY 2007
Linear feet of small main replaced	2,500	4,166	12,000	10,000
Number of high/low pressure complaints	60	78	55	55
Percent of main breaks repaired within 8 hours	95%	75%	100%	100%
Percent of lost and unaccounted for water	13%	11.4%	12%	11%

**Goal 2:**

Adequately operate and maintain the water system.

**Objective:**

Perform all necessary repairs, replacement, and preventative maintenance for the entire water distribution system.

Performance Measure:	Projected FY 2005	Actual FY 2005	Target FY 2006	Target FY 2007
Number of services renewed and repaired	350	411	400	425
Number of hydrants maintained	1,200	2,439	1,300	2,000
Number of valves installed or replaced	55	15 replaced (79 had maintenance performed)	70	70



**Public Works Utilities Division Water Treatment Plant.** Raw water from Pedlar Reservoir in Amherst County is delivered through a 22-mile gravity pipeline to Lynchburg. Two raw water pumping stations are located on the James River to augment the Pedlar supply as required. Chemicals are added at Pedlar Reservoir and at the Abert and College Hill Filtration Plants where treatment is completed. Water is continuously examined for quality assurance during processing. In addition, periodic sampling is performed at selected points in the water distribution system to assure delivery of safe and potable water. Water is provided without interruption and with sufficient volume and pressure for consumption and for fire suppression throughout the City. The water quality is federally mandated by the Safe Drinking Water Act. Oversight is provided by the Virginia Department of Health.

	Actual FY 2005	Adopted FY 2006	Revised Estimate FY 2006	Department Requested FY 2007	Manager's Proposed FY 2007
<b>POSITION SUMMARY</b>					
City Funded Full-Time	22	22	25	25	25
<b>TOTAL FTE</b>	<b>22</b>	<b>22</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>BUDGET SUMMARY</b>					
Personal services	\$795,343	\$843,049	\$828,180	\$830,948	\$830,948
Fringe benefits	284,775	311,625	296,954	338,877	\$338,877
Supplies & materials	89,714	107,000	106,769	119,600	\$119,600
Chemicals	167,419	235,000	210,000	268,500	\$268,500
Gasoline / fuel	4,632	5,936	5,800	7,724	\$7,724
Internal service charges	7,591	8,866	8,112	8,961	\$8,961
Rentals & leases	536	5,500	2,100	4,500	\$4,500
Communication charges	11,297	16,000	14,400	14,700	\$14,700
Utilities	369,229	380,000	388,351	391,000	\$391,000
Buildings & grounds	15,301	8,500	7,500	8,500	\$8,500
Contractual services	303,794	188,000	234,456	275,666	\$275,666
Training & meetings	7,135	10,000	10,000	10,000	\$10,000
Misc., including, Operations fee	44,145	44,500	43,331	44,500	\$44,500
<b>TOTAL</b>	<b>\$2,100,911</b>	<b>\$2,163,976</b>	<b>\$2,155,953</b>	<b>\$2,323,476</b>	<b>\$2,323,476</b>

#### **Water Fund – Water Treatment Plant Budget Description**

The Department Requested FY 2007 Public Works Utilities Division Water Fund – Water Treatment budget of \$2,323,476 represents a 7.4% increase of \$159,500 as compared to the Adopted FY 2006 budget of \$2,163,976.

Significant changes introduced in the Department Requested FY 2007 budget include:

- \$15,151 decrease in Salaries and Employee Benefits reflecting the net of FY 2006 compensation adjustments, increased insurance premiums, the end of the life insurance premium holiday, and a decrease in the budget for wage employees.
- \$10,500 increase in Supplies and Materials reflecting increases primarily due to the following: \$6,500 increase in safety supplies related to revisions in chlorine cylinder change out procedures and \$4,000 increase in minor tool and equipment based upon historic data.
- \$33,500 increase in Chemical Costs due to the conversion of the College Hill plant to sodium hypochlorite and other chemical and utility cost increases.
- \$87,666 increase in Contractual Services reflecting increases primarily due to the following: \$26,000 increase in building maintenance and repair and a \$20,000 grounds maintenance based upon historic trends, and a \$29,466 increase in laboratory testing primarily as a result of new drinking water regulations.

All major items requested are proposed for funding by the City Manager.

**Water Fund – Water Treatment Plant Performance Measures****Goal 1:**

Maintain a high level of customer satisfaction with the quality and quantity of water produced.

**Objective:**

Produce safe, high quality water on an uninterrupted basis in sufficient volume and pressure for consumption and fire protection throughout the Lynchburg water system.

Performance Measure:	Projected FY 2005	Actual FY 2005	Target FY 2006	Target FY 2007
Number of water quality complaints (discoloration, taste, odor, etc.)	20	*65	15	15
Average daily water produced (million gallons per day)	10.7	10.51	10.8	10.8
Percent of water quality tests meeting standards	100%	100%	100%	100%

\*Many discoloration complaints were related to work being performed on the Mill Lane tank.

**Goal 2:**

Operate the Water Treatment Plants in a cost effective and efficient manner.

**Objective:**

Operate the water treatment plants and pump stations as efficiently as possible.

Performance Measure:	Projected FY 2005	Actual FY 2005	Target FY 2006	Target FY 2007
Percent Pedlar Reservoir water treated as it relates to the total water treated	95%	99.2%	95%	95%
Chemical cost per million gallons treated	\$50	\$36.21	\$50	\$55
Overall water treatment cost per million gallons treated	\$557	\$547.68	\$555	\$565